

**THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

**IN RE:**

**TELESOFT, INC.**

**DEBTOR**

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**CASE NO. 03-40384-R  
CHAPTER 7**

**TRUSTEE'S  
FINAL REPORT AND PROPOSED DISTRIBUTION**

LINDA S. PAYNE, trustee of the estate of the above-named Debtor(s), certifies under penalty of perjury, to the Court and the United States Trustee, that the trustee has faithfully and properly fulfilled the duties of her office and that the trustee has examined all proofs of claims as appropriate under the proposed distribution, and that the proposed distribution, attached hereto, is proper, and consistent with the law and rules of court. The Trustee applies for the commissions and expenses set forth herein and states that they are reasonable and proper.

I hereby authorize the Office of the United States Trustee to file by electronic means this Trustee's Final Report, Application for Compensation and Report of Proposed Distribution on my behalf, and I agree and acknowledge that the designation of my signature on this document once filed, constitutes my valid signature for the purposes of 11 U.S.C. § 704(9) and Fed.R.Bankr.Pro.9011.

Therefore, the Trustee requests that the Final Report, Application for Compensation and Report of Proposed Distribution be approved.

Date: May 23, 2005

/s/ Linda Payne  
Linda Payne, Trustee

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

**IN RE:**

**TELESOFT, INC.**

**DEBTOR**

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**CASE NO. 03-40384-R  
CHAPTER 7**

**TRUSTEE'S FINAL REPORT AND APPLICATION TO CLOSE CASE AND  
DISCHARGE TRUSTEE**

The Trustee of the estate presents the following final report:

1. The Trustee applies for commissions and expenses set forth in Schedule A and states: That they are reasonable and proper; that in the course of the performance of duties, the Trustee has advanced moneys from personal funds for expenses, and the Trustee has not been reimbursed.
2. The Trustee submits Form I as a summary of the assets and an estate property record. Any property scheduled under 11 U.S.C. Sec. 521(1) and not administered shall be deemed abandoned pursuant to 11 U.S.C. Sec. 554 (c).
3. The Trustee has reduced all assets of this estate to cash or otherwise lawfully disposed of them and the estate is ready to be closed.
4. The Trustee submits Form II as the account of estate cash receipts and disbursements.
5. There is no agreement or understanding between the Trustee and any other person for a division of the compensation sought by this application except as permitted by the Bankruptcy Code.
6. The Trustee requests approval of this final report.
7. The trustee has examined each and every claim filed and noted her approval of claims as filed, or she has filed objections to allowance or requests for reclassification.
8. The Trustee further requests that after final distribution of all moneys in accordance with the Trustee's Report of Final Distribution, and upon filing of a Supplemental Final Report and Account and certification by the U. S. Trustee the trustee be discharged from office and that the case be closed.

I declare under penalty of perjury that this Report and attached Schedules are true and correct to the best of my knowledge and belief.

Dated: May 23, 2005

/s/ Linda Payne  
Linda Payne, Trustee

**SCHEDULE A-1**

FINAL ACCOUNT AS OF: 05/23/05

**A: Receipts** \$6,256.76

**B. Disbursements**

1. Secured Creditors-----

2. Administrative----- 503.78

3. Priority-----

4. Other-----

**C. Current Balance** \$ 5,752.98

## Form 1

Page: 1

## Individual Estate Property Record and Report

## Asset Cases

Case Number: 03-40384 BTR  
 Case Name: TELESOFT, INC  
 DBA TELESOFT INC  
 Period Ending: 05/23/05

Trustee: (631540) LINDA S. PAYNE  
 Filed (f) or Converted (c): 01/22/03 (f)  
 \$341(a) Meeting Date: 03/17/03  
 Claims Bar Date: 08/27/03

Ref. #	1 Asset Description (Scheduled And Unscheduled (u) Property)	2 Petition/ Unscheduled Values	3 Estimated Net Value (Value Determined By Trustee, Less Liens, Exemptions, and Other Costs)	4 Property Abandoned OA=\$554(a) abandon. DA=\$554(c) abandon.	5 Sale/Funds Received by the Estate	6 Asset Fully Administered (FA)/ Gross Value of Remaining Assets
1	Bank Account Debtor paid final taxes out of account before filing.	14,206.14	5,983.19		5,983.19	FA
2	Refunds (u)	0.00	241.05		241.50	FA
3	HP Printer Racks More costly to pickup and liquidate that value.	0.00	0.00	DA	0.00	FA
Int	INTEREST (u)	Unknown	N/A		32.07	Unknown
4	Assets Totals (Excluding unknown values)	\$14,206.14	\$6,224.24		\$6,256.76	\$0.00

## Major Activities Affecting Case Closing:

Ready to close

Initial Projected Date Of Final Report (TFR): December 4, 2004

Current Projected Date Of Final Report (TFR): May 4, 2005

## Form 2

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## Cash Receipts And Disbursements Record

Case Number: 03-40384 BTR  
 Case Name: TELESOF, INC  
 DBA TELESOF INC  
 Taxpayer ID #: 75-2565948  
 Period Ending: 05/23/05

Trustee: LINDA S. PAYNE (631540)  
 Bank Name: JPMORGAN CHASE BANK, N.A.  
 Account: \*\*\*-\*\*\*\*05-65 - Money Market Account  
 Blanket Bond: \$300,000.00 (per case limit)  
 Separate Bond: N/A

1 Trans. Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	T-Code	5 Receipts \$	6 Disbursements \$	7 Money Market Account Balance
04/04/03	{1}	Telesof, Inc.	Close bank account	1129-000	5,983.19		5,983.19
04/30/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.4000%	1270-000	1.51		5,984.70
05/08/03	{2}	Jill J. Weinbert, Attorney	Refund on retainer	1290-000	241.50		6,226.20
05/30/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.4000%	1270-000	2.09		6,228.29
06/30/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.3000%	1270-000	1.72		6,230.01
07/31/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.3000%	1270-000	1.59		6,231.60
08/29/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.2500%	1270-000	1.32		6,232.92
09/30/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.2500%	1270-000	1.28		6,234.20
10/31/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.2000%	1270-000	1.20		6,235.40
11/28/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.2000%	1270-000	1.03		6,236.43
12/31/03	Int	JPMORGAN CHASE BANK	Interest posting at 0.2000%	1270-000	1.06		6,237.49
01/30/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.2000%	1270-000	1.06		6,238.55
02/27/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.2000%	1270-000	0.99		6,239.54
03/31/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.1500%	1270-000	0.97		6,240.51
04/30/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.1500%	1270-000	0.77		6,241.28
05/28/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.1500%	1270-000	0.79		6,242.07
06/30/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.1500%	1270-000	0.77		6,242.84
07/30/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.1500%	1270-000	0.79		6,243.63
08/31/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.2000%	1270-000	0.97		6,244.60
09/30/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.2000%	1270-000	1.02		6,245.62
10/29/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.2500%	1270-000	1.11		6,246.73
11/30/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.2500%	1270-000	1.28		6,248.01
12/31/04	Int	JPMORGAN CHASE BANK	Interest posting at 0.2500%	1270-000	1.32		6,249.33
01/12/05	1001	BILL PAYNE	Court approved attorney fees	3210-000		500.00	5,749.33
01/12/05	1002	Bill Payne Expenses	Court approved attorney expenses	3220-000		3.78	5,745.55

Subtotals : \$6,249.33

\$503.78

{ Asset reference(s)

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# Form 2

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## Cash Receipts And Disbursements Record

Case Number: 03-40384 BTR  
Case Name: TELESOFT, INC  
DBA TELESOFT INC  
Taxpayer ID #: 75-2565948  
Period Ending: 05/23/05

Trustee: LINDA S. PAYNE (631540)  
Bank Name: JPMORGAN CHASE BANK, N.A.  
Account: \*\*\*-\*\*\*\*05-65 - Money Market Account  
Blanket Bond: \$300,000.00 (per case limit)  
Separate Bond: N/A

1 Trans. Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	5 T-Code	6 Receipts \$	7 Disbursements \$	8 Money Market Account Balance
01/31/05	Int	JPMORGAN CHASE BANK	Interest posting at 0.3000%	1270-000	1.49		5,747.04
02/28/05	Int	JPMORGAN CHASE BANK	Interest posting at 0.3500%	1270-000	1.37		5,748.41
03/31/05	Int	JPMORGAN CHASE BANK, N.A.	Interest posting at 0.3500%	1270-000	1.71		5,750.12
04/29/05	Int	JPMORGAN CHASE BANK, N.A.	Interest posting at 0.3500%	1270-000	1.65		5,751.77
05/23/05	Int	JPMORGAN CHASE BANK, N.A.	Current Interest Rate is 0.3500%	1270-000	1.21		5,752.98
05/23/05		To Account #*****0566	Final Report	9999-000		5,752.98	0.00

### ACCOUNT TOTALS

Less: Bank Transfers

Subtotal

Less: Payments to Debtors

NET Receipts / Disbursements

6,256.76	6,256.76	\$0.00
0.00	5,752.98	
6,256.76	503.78	
	0.00	
6,256.76	503.78	

# Form 2

Page: 3

## Cash Receipts And Disbursements Record

Case Number: 03-40384 BTR  
Case Name: TELESOF, INC  
DBA TELESOF, INC  
Taxpayer ID #: 75-2565948  
Period Ending: 05/23/05

Trustee: LINDA S. PAYNE (631540)  
Bank Name: JPMORGAN CHASE BANK, N.A.  
Account: \*\*\*-\*\*\*\*05-66 - Checking Account  
Blanket Bond: \$300,000.00 (per case limit)  
Separate Bond: N/A

1 Trans- Date	2 {Ref #} / Check #	3 Paid To / Received From	4 Description of Transaction	5 T-Code	6 Receipts \$	7 Disbursements \$	8 Checking Account Balance
05/23/05		From Account #*****0565	Final Report	9999-000	5,752.98		5,752.98

**ACCOUNT TOTALS**  
Less: Bank Transfers 5,752.98 0.00 \$5,752.98  
Subtotal 0.00 0.00  
Less: Payments to Debtors 0.00  
**NET Receipts / Disbursements** \$0.00 \$0.00

TOTAL - ALL ACCOUNTS	Net Receipts	Net Disbursements	Account Balances
MMA # ***-****05-65	6,256.76	503.78	0.00
Checking # ***-****05-66	0.00	0.00	5,752.98
	\$6,256.76	\$503.78	\$5,752.98

**Trustee's Compensation****Debtor: TELESOFT, INC****Case: 03-40384****Computation of Compensation**

Total disbursements to other than the debtor are:		6,256.76
Pursuant to 11 U.S.C. 326, compensation is computed as follows:		
25% of First \$5,000	5,000.00 =	1,250.00
10% of Next \$45,000	1,256.76 =	125.68
5% of Next \$950,000	0.00 =	0.00
3% of Balance	0.00 =	0.00
<b>Calculated Total Compensation:</b>		<b>\$1,375.68</b>
Plus Adjustment:		0.00
<b>Total Compensation:</b>		<b>\$1,375.68</b>
Less Previously Paid:		0.00
<b>Total Compensation Requested:</b>		<b>\$1,375.68</b>

**Trustee Expenses**

Premium on Trustee's Bond		0.00
Travel	0.0 miles at 0.0 cents per mile	0.00
Copies	63 copies at 25.0 cents per copy	15.75
Postage		10.73
Telephone Charges		0.00
Clerical / Secretarial	5.60 hours at 20.00 dollars per hour	112.00
Paralegal Assistance	0.00 hours at 0.00 dollars per hour	0.00
Supplies / Stationery		0.00
Distribution Expenses		0.00
Professional Expenses		0.00
Other Expenses		0.00
Other Expenses 2		0.00
<b>Subtotal Expenses:</b>		<b>\$138.48</b>
Plus Adjustment:		0.00
<b>Total Expenses:</b>		<b>\$138.48</b>
Less Previously Paid:		0.00
<b>Total Expenses Requested:</b>		<b>\$138.48</b>

The undersigned Trustee certifies under penalty of perjury that the foregoing is true and correct to the best of his/her knowledge and requests the United States Trustee to approve this report and accounts and requests the Court to provide for notice and opportunity for a hearing under 11 U.S.C. 330(a), 502(b), and 503(b) and to thereafter award final compensation or reimbursement of expenses and to make final allowance for the purposes of distribution to claims, administrative expenses, and other payments stated in this report and account.

WHEREFORE, the Trustee requests that this application be approved by this Court and that the Trustee be granted an allowance of \$1,375.68 as compensation and \$138.48 for reimbursement of expenses. The Trustee further states that no payments have been made or promised to him/her for services rendered or to be rendered in any capacity in this case. No agreement or understanding exists between applicant and any other person for sharing compensation received or to be received.

Dated: 05/23/05

Signed: \_\_\_\_\_

LINDA S. PAYNE  
100 NORTH MAIN ST.

PARIS, TX 75460



**Exhibit "A"****Period: 01/01/00 - 05/23/05****Trustee: LINDA S. PAYNE (631540)****Case Number:** 03-40384**Case Name:** TELESOFT, INC**Case Type:** Assets**Judge:** Brenda T. Rhoades**Petition Date:** 01/22/03**341a Meeting:** 05/02/03 16:00**Category: CLERICAL**

<u>Date</u>	<u>Description</u>	<u>Hours/Unit</u>	<u>Rate</u>	<u>Total</u>
10/12/04	Prepare, file and mail Application to Employ Attorney	0.50	\$20.000	\$10.00
12/09/04	Prepare, file and mail Motion to Compensate Attorney	3.10	\$20.000	\$62.00
05/23/05	Prepare Final Report and Supplemental Final Report.	2.00	\$20.000	\$40.00
<b>Total for category CLERICAL:</b>		<b>5.60</b>		<b>\$112.00</b>

**Category: COPIES**

<u>Date</u>	<u>Description</u>	<u>Hours/Unit</u>	<u>Rate</u>	<u>Total</u>
10/12/04	Application to Employ Attorney	5.00	\$0.250	\$1.25
12/09/04	Motion to Compensate Attorney	33.00	\$0.250	\$8.25
05/23/05	Final Report and Supplemental Final Report	25.00	\$0.250	\$6.25
<b>Total for category COPIES:</b>		<b>63.00</b>		<b>\$15.75</b>

**Category: POSTAGE**

<u>Date</u>	<u>Description</u>	<u>Hours/Unit</u>	<u>Rate</u>	<u>Total</u>
10/12/04	Mail to UST Application to Employ Attorney	1.00	\$0.370	\$0.37
12/04/04	Mail Motion to Compensate Attorney	23.00	\$0.370	\$8.51
05/23/05	Mail Distribution checks	5.00	\$0.370	\$1.85
<b>Total for category POSTAGE:</b>		<b>29.00</b>		<b>\$10.73</b>

**Total for case 03-40384: \$138.48****Grand Total: \$138.48**

**SCHEDULE C  
EXPENSES OF ADMINISTRATION**

	AMOUNT CLAIMED	AMOUNT PAID	AMOUNT DUE
1. 11 U.S.C. Sec 507(a)(1) <u>Court Cost and Fees</u>			
A. Notice & Claim Fees \$			
B. Adv. filing fees			
C. Quarterly Chapt 11			
2. 11 U.S.C. Sec 503(b)(1)(a) <u>Preservation of estate</u>			
A. Transportation			
B. Storage			
C. Wages			
D. Estates share FICA			
E. Insurance			
F. Other (itemize)			
G. Chapt 11 Trade			
3. 11 U.S.C. Sec.503(b)(2) <u>Post-Petition Taxes</u> <u>and related penalties</u>			
4. 11 U.S.C. Sec.503(b)(2) <u>Compensation and</u> <u>Reimbursement</u>			
A. Trustee Fees	1,375.68	0	1,375.68
B. Trustee Expenses	138.48	0	138.48
C. Attorney to Trustee (#218on docket)	500.00	500.00	
D. Expenses for Attorney To Trustee	3.78	3.78	
E. Attorney for Debtor			
F. Auctioneer Fees (# on docket)			
G. Auctioneer Expenses			
5. Other (Itemize)			
 TOTAL-----	 2,017.94	 503.78	 1,514.16

**SCHEDULE D**

**SECURED CLAIMS**

Claim #	Claimant	Amount Claimed	Amount Not Determined	Amount Allowed	Previously Paid	Amount Due
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Totals                      \$ 0

## SCHEDULE E

### PRIORITY CLAIMS OTHER THAN ADMINISTRATIVE EXPENSES IN THE FOLLOWING ORDER OF PRIORITY

	(1) Claim No.	(2) Amt. Claimed	(3) Amt. Allowed	(4) Amt. Paid	(5) Amt. Due
1. For Credit Extended §364(e)(1)					
2. Claims from failure of adequate protection §307 (a)(b)					
3. "Gap Claims" §507 (a)(2)					
4. Wages, etc. §507 (a)(3)					
5. Contributions to benefit plans §507 (a)(4)					
6. Engaged in raising of grain or fisherman §507 (a)(5)					
7. Consumer deposits §507 (a)(6)					
8. Alimony or child support §507 (a)(7)					
9. Taxes §507 (a)(8)					
Collin County Tax	3	225.00	225.00	0	225.00

TOTAL ALLOWED PRIORITY CLAIMS: \$ 0

TIMELY FILED ALLOWED UNSECURED CLAIMS TOTAL \$1,166,748.86

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
SHERMAN DIVISION**

**IN RE:**

**TELESOFT, INC.**

**DEBTOR**

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**CASE # 03-40384-R  
CHAPTER 7**

**TRUSTEE'S REPORT OF PROPOSED FINAL DISTRIBUTIONS**

The undersigned Trustee of the estate hereby submits to the Court and to the United States Trustee this Report of Proposed Final Distributions.

1. The Court has entered orders which have become final, and which dispose of all objections to claims, all objections to the Trustee's Final Report, all applications for compensation and all other matters which must be determined by the Court before final distribution can be made.
2. The trustee proposes to make final distribution of the funds of the estate as follows, and will make such distribution unless written objection hereto is made, filed and served on the Trustee and on the United States Trustee.

1. BALANCE ON HAND	\$ 5,752.98
2. ADMINISTRATIVE EXPENSES TO BE PAID	\$ 1,514.16
3. SECURED CLAIMS TO BE PAID	\$0
4. PRIORITY CLAIMS TO BE PAID	\$ 225.00
5. UNSECURED CLAIMS TO BE PAID	\$ 4,013.82
6. OTHER DISTRIBUTIONS TO BE PAID	\$
7. TOTAL DISTRIBUTIONS TO BE MADE	\$ 5,752.98
8. ZERO BALANCE AFTER ALL DISTRIBUTIONS	\$ 0

Dated: May 23, 2005

/s/ Linda S. Payne  
Linda S. Payne, Trustee

## Claims Distribution Register

Case: 03-40384 TELESOFT, INC

Claim #	Date	Pri	Claimant / Proof / <Category> / Memo	Amount Filed	Amount Allowed	Paid to Date	Claim Balance	Proposed Payment
<b>Admin Ch. 7 Claims:</b>								
01/22/03	200		Bill Payne <3210-00 Attorney for Trustee Fees (Other Firm)>	500.00	500.00	500.00	0.00	0.00
01/22/03	200		Bill Payne Expenses <3220-00 Attorney for Trustee Expenses (Other Firm)>	3.78	3.78	3.78	0.00	0.00
01/22/03	200		LINDA S. PAYNE 100 NORTH MAIN ST. PARIS, TX 75460 <2100-00 Trustee Compensation>	1,375.68	1,375.68	0.00	1,375.68	1,375.68
01/22/03	200		LINDA S. PAYNE 100 NORTH MAIN ST. PARIS, TX 75460 <2200-00 Trustee Expenses>	138.48	138.48	0.00	138.48	138.48
Total for Priority 200: 100% Paid				\$2,017.94	\$2,017.94	\$503.78	\$1,514.16	\$1,514.16
Total for Admin Ch. 7 Claims:				\$2,017.94	\$2,017.94	\$503.78	\$1,514.16	\$1,514.16

## Priority Claims:

3	06/27/03	570	Collin County CAD 210 S. McDonald Mc Kinney, TX 75069 <5800-00 Claims of Governmental Units--§ 507(a)(8)> Secured Description: TAXES	225.00	225.00	0.00	225.00	225.00
Priority 570: 100% Paid								

## Unsecured Claims:

1	02/28/03	610	Citicorp Vendor Finance Inc FKA Copelco Capital Attn: Katie Nanneman 1800 Overcenter Drive Moberly, MO 65270 <7100-00 General Unsecured § 726(a)(2)> Unsecured Description: EQUIPMENT LEASE	47,653.49	47,653.49	0.00	47,653.49	163.94
2	03/05/03	610	Wells Fargo Financial Leasing, Inc. 604 Locust Street, 14th Floor Des Moines, IA 50309 <7100-00 General Unsecured § 726(a)(2)> Unknown Class Description: LEASE AGREEMENT	33,883.26	33,883.26	0.00	33,883.26	116.56
4	08/27/03	610	Arnall Golden & Gregory 2800 One Atlantic Centre 1201 W. Peachtree St. Atlanta, GA 30309-3450 <7100-00 General Unsecured § 726(a)(2)> Unsecured	5,372.21	5,372.21	0.00	5,372.21	18.48

## Claims Distribution Register

Case: 03-40384 TELESOFT, INC

Claim #	Date	Pri	Claimant / Proof / <Category> / Memo	Amount Filed	Amount Allowed	Paid to Date	Claim Balance	Proposed Payment
5	08/26/03	610	Iridium Operating, LLC c/o Nancy L. Manzer, Esq. 1600 tysons Boulevard, 10th Floor McLean, VA 22102 <7100-00 General Unsecured § 726(a)(2)> Unsecured	1,079,839.90	1,079,839.90	0.00	1,079,839.90	3,714.84
Total for Priority 610: 0.34402% Paid				\$1,166,748.86	\$1,166,748.86	\$0.00	\$1,166,748.86	\$4,013.82
Total for Unsecured Claims:				\$1,166,748.86	\$1,166,748.86	\$0.00	\$1,166,748.86	\$4,013.82
Total for Case :				\$1,168,991.80	\$1,168,991.80	\$503.78	\$1,168,488.02	\$5,752.98